



Beckfoot Trust

Annual Report and Financial Statements for the Year Ended 31 August 2019

FOR

BECKFOOT TRUST
(a company limited by guarantee)

COMPANY REGISTRATION NUMBER: 08155088 (England and Wales)
AND AN EXEMPT CHARITY

**BECKFOOT TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J M C Cole M Eaton H Wallace N J Weller N Whiteside J Winkley
Trustees/Company Directors	S Ali (resigned 10/4/19) J Cryer (appointed 1/9/19) S Datai-Wilson (appointed 1/9/19) P Hill D J Horn (Chief Executive Officer [CEO], Accounting Officer and Staff Trustee) M J Kelly R Lawrence (post vacated 16/5/19) J M Lee (resigned 28/8/18) D Maybury E K Pervez (appointed 1/9/19) S Pierce P Speight C D Tebbutt (Chief Operating Officer [COO], Chief Financial Officer and Staff Trustee) S K Tollervey J Winkley (Chair)
Company Secretary	Schofield Sweeney LLP
Senior Management Team	C Gunning Headteacher Beckfoot Priestthorpe G C Halls Associate Director for People and Talent D J Horn CEO L Hanson Headteacher Beckfoot Nessfield K Horton Headteacher Beckfoot Allerton Z Mawson Headteacher Beckfoot Heaton Primary School E McPhail Headteacher Hazelbeck School S Morrissey Associate Director for School Improvement J Richardson Headteacher Beckfoot Thornton T Smith Headteacher Beckfoot Oakbank R Stirland Headteacher Beckfoot Phoenix C D Tebbutt COO S Wade Headteacher Beckfoot G Wrightson Headteacher Beckfoot Upper Heaton
Company Name	Beckfoot Trust
Principal and Registered Office	Wagon Lane, Bingley, Bradford West Yorkshire BD16 1EE
Company Registered Number	08155088 (England and Wales)
Independent Auditor	Saffery Champness LLP Mitre House, North Park Road, Harrogate HG1 5RX
Bankers	Lloyds Bank PLC Hustlergate, PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney LLP Church Bank House, Church Bank, Bradford BD1 4DY

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

During the year Beckfoot Trust consisted of the following academies:

Academy	Date Joined	Type
Beckfoot School	August 2013	Secondary School
Hazelbeck School	August 2013	Secondary Special School
Beckfoot Upper Heaton School	September 2015	Secondary School
Beckfoot Allerton	September 2016	Primary School
Beckfoot Oakbank	September 2016	Secondary School
Beckfoot Thornton	October 2016	Secondary School
Beckfoot Heaton	December 2016	Primary School
Beckfoot Phoenix	September 2017	Primary Special School
Beckfoot Priestthorpe	September 2017	Primary School
Beckfoot Nessfield	September 2018	Primary School

Structure, Governance and Management

Constitution

Beckfoot Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 9 May 2013 are the primary governing documents of the Academy Trust. The Trustees of Beckfoot Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Beckfoot Trust. Details of the Trustees who served throughout the period are included in the Reference and Administrative details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnity Insurance

In accordance with normal commercial practice Beckfoot Trust has purchased indemnity insurance to protect Governors and Officers from claims occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £3,759.

Method of Recruitment and Appointment or Election of Trustees

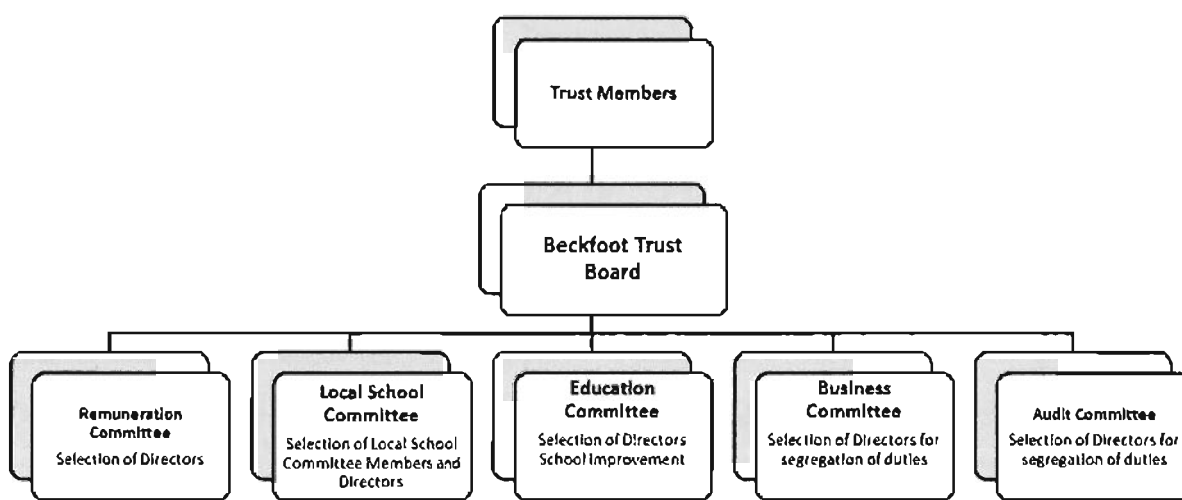
Up to a maximum of 8 directors may be appointed by the members of the charitable company, who are Trustees for the purposes of charity legislation. These Trustees may then co-opt further Trustees with no maximum number set. Two Trustees must be a parent of a registered pupil at one or more of the Schools. The total number of Trustees who are employees of the charitable company shall not exceed one third of the total number of Trustees. The term of office for a Trustee is currently four years and any director may be re-appointed. The Members may appoint Trustees through such process as they may determine.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted into the workings of the Trust, including policies and procedures, at arranged meetings with the Chief Operating Officer (COO) and the Chief Executive Officer (CEO). The training and induction provided for new Trustees depends on their existing experience. Where appropriate, induction includes training on charity and educational, legal and financial matters (with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee). Trustees are aware that a budget is available to support training needs on request.

Organisational Structure

The way in which the board of directors/Trustees receives advice and delegates responsibilities is described below.



The role of the Board is to ensure Beckfoot Trust is governed and managed so as to comply with requirements set out by the DfE, relevant companies and charities legislation as well as its own governing documents.

The Board is responsible for strategic and school improvement planning, financial and risk management, audit, senior staff appointments and remuneration. It prioritises:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- Overseeing the financial performance of the organisation and making sure its money is well spent

The Education Committee has delegated responsibility for safeguarding, educational standards and improvement in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Business Committee has delegated responsibility for financial planning and management, human resources, estates management and compliance in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Local School Committee has delegated responsibility for Local School policy approval, student and staff welfare and parental and stakeholder engagement.

The Remuneration Committee has delegated responsibility for CEO performance management and the remuneration of higher paid Trust staff.

The Audit Committee has delegated responsibility for the internal controls and the external audit function.

In addition to the above committees there are several ad hoc committees formed as necessary including Student Discipline Committee and Staff Discipline and Grievance Committee. The Chief Executive Officer is the Trust's Accounting Officer. The Chief Operating Officer completes strategic operational and financial management tasks as delegated by the CEO. The Chief Operating Officer is the Trust's Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Committee of the board is responsible for the performance management and remuneration of the CEO. The CEO is responsible for the performance management of all senior Trust staff (including employed directors), Headteachers and Heads of School. The Remuneration Committee of the board is responsible for setting the pay of all senior Trust staff (including employed directors), Headteachers and Heads of School. Local School Headteachers are responsible for the performance management and the setting of pay for Senior Leadership Team members in accordance with a framework agreed by the CEO.

Trade union facility time

Number of employees who were relevant union officials

Number of employees who were relevant union officials during the relevant period	11
Full-time equivalent employee number	10.28

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	2.28
1-50%	8
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,798.00 (plus £34,951 additional facility time funding)
Total pay bill	£33,647,741
Percentage of the total pay bill spent on facility time	0.005% (0.10%)

Time spent on paid trade union activity

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	The Trust does not currently distinguish between time spent separately on trade union activities and trade union duties and is therefore unable to report on this figure.
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Related Parties and other Connected Charities and Organisations

Trustees are required to make a declaration of interest annually in order to enable the Trust to identify related parties. Where related party relationships exist between Trustees and third party suppliers or customers the financial arrangements meet the requirements of relevant accounting standards and the Financial Handbook. Full details of these relationships can be found in note 23.

Objectives and Activities

Objects and Aims

The principal activities and objects of Beckfoot Trust are:

- The advancement, for public benefit, of education in the United Kingdom, in particular establishing, maintaining, managing and developing schools offering a broad and balanced curriculum.
- To provide full or part time education for children of compulsory school age, who otherwise may not for any period receive suitable education unless alternative provision is made for them.
- To make special educational provision for pupils with Special Educational Needs and Disability.
- To promote for the benefit of the inhabitants of Bradford and surrounding area the provision of facilities for recreation.

Objectives, Strategies and Activities

The Trust has the following Core Purpose:

'We are here to create a family of remarkable schools that collaborate to ensure all their young people enjoy learning and expect to be successful. Schools where families are involved, where you feel and see a learning culture that is purposeful, celebratory and inclusive. Schools that are great places to work, where staff develop professionally and feel valued and cared for. Schools where learners strive for outcomes to rank them in the top 20% by comparison with young people in similar schools. With sustained success, lives change, communities thrive and we all benefit.'

The Trust organises its work with a strategic focus around four key drivers of success:

1. School improvement at scale
2. People and Talent
3. Enabling Services (technology, estates management, marketing and communications)
4. Governance and Finance including Compliance

The Trust's Corporate Strategy is described in the following diagram:



Trust Development:

The Trust is not currently working on plans for further expansion.

Public Benefit

When setting the objectives of the charitable company for the year, the Academy Trust's Directors have given careful consideration to the Charity Commission's guidance on public benefit. Public benefit is achieved through ensuring the schools within the Trust meet their charitable objective.

Strategic Report

Trust Achievements and Performance

During the 2018/19 year, Beckfoot Trust operated eight mainstream schools and two special schools.

Beckfoot Allerton was inspected in the year and received a Requires Improvement Ofsted rating. The predecessor school had received an Outstanding rating in June 2012.

Beckfoot Oakbank was inspected in the year and received a Requires Improvement Ofsted rating. The predecessor school had received a Requires Improvement rating in February 2015.

Hazelbeck was inspected in the year and received an Outstanding Ofsted rating. The school had received an Outstanding rating in March 2015.

Beckfoot Thornton was inspected in September 2019 and received a Requires Improvement Ofsted rating. The predecessor school had received a Requires Improvement rating in May 2014.

Outcomes for students in the Trust are indicative of a Trust that has recently taken on a number of schools in difficult circumstances. All the schools are now well led and are responding positively to the Trust's school improvement strategy.

Key Performance Indicators

Beckfoot Trust Primary Schools Combined Outcomes for Learners

Primary Schools (figures correct at time of publication)	Trust 2018	Trust 2019	National 2019
Number of schools	3	4	
Total number of pupils on roll (all ages)	1502	1855	
Key Stage 2 Attainment			
Reading, Writing Maths Expected Standard	45%	50%	65%
Reading Progress	-1.9	-0.6	
Writing Progress	-0.3	0.3	
Maths Progress	0.2	-0.8	

Beckfoot Trust Secondary Schools Combined Outcomes for Learners

Secondary Schools (figures correct at time of publication)	Trust 2018	Trust 2019	National 2019
Number of schools	4	4	
Total number of pupils on roll (all ages)	5039	5193	
Key Stage 4 Progress			
Progress 8	-0.10	-0.16	0
Key Stage 4 Attainment			
9-4 in English + Maths "Basics"	59%	55%	64%
9-5 in English + Maths "Basics"	37%	33%	43%
Key Stage 5 A Level Attainment			
Average point score per A level entry expressed as a grade	C+	C	C+

Overall Attendance

	Trust 2018	Trust 2019	National 2018
Trust Primary Attendance %	95.7%	95.4%	95.8%
Trust Secondary Attendance %	94.6%	93.8%	94.5%
Trust Special Attendance %	88.5%	89.3%	89.8%

School by School Achievements and Performance

Beckfoot Allerton (Primary School) joined the Trust in September 2016, converting with an Outstanding Ofsted rating but with outcomes that had stalled. A new headteacher was appointed in September 2017 and the school has been in a period of transition. During the year, the school was inspected and received a Requires Improvement rating, consistent with the Trust's expectations. The report noted the trustee's 'knowledge and expertise in leading school improvement'. Results in 2019 indicate the school is now rapidly improving.

Beckfoot Allerton Primary School (figures correct at time of publication)	Allerton 2018	Allerton 2019
Total number of pupils on roll (all ages)	477	454
Key Stage 2 Attainment (% of pupils reaching the expected standard)		
Reading, Writing Maths Expected Standard	33%	65%
Reading Progress	-4.9	-0.9
Writing Progress	-3.9	-1.9
Maths Progress	-1.8	0.4

Beckfoot (Secondary School) joined the Trust in 2013 with a Good Ofsted rating. In 2014, it was graded by Ofsted as Outstanding and it gained a World Class School Quality Mark in 2016. The school's KS4 Progress 8 outcomes in 2019 dropped a little and the school continues to perform consistently above national averages on attainment measures that also dipped a little in the year.

Beckfoot School (figures correct at time of publication)	Beckfoot 2018	Beckfoot 2019
Total number of pupils on roll (all ages)	1642	1666
Key Stage 4 Progress		
Progress 8	0.28	0.13
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	78%	70%
9-5 in English + Maths "Basics"	55%	45%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C+	C+

Hazelbeck (Secondary Special School) joined the Trust in 2013 with a Requires Improvement Ofsted rating. In 2015, Ofsted graded it Outstanding and it received a second Outstanding rating when inspected in 2019. Outcomes for students have continued to improve and in 2019, 100% of sixth form students attained four or more external accreditations. In recognition of its sustained success, the school was accredited as a 'World Class School' in 2019.

Hazelbeck School All learners	2017 Making and exceeding expected progress	2018 Making and exceeding expected progress	2019 Making and exceeding expected progress
Total number of pupils on roll	132	142	144
English	83%	92%	88%
Maths	82%	92%	77%
Science	85%	82%	n/a

Beckfoot Heaton (Primary School) joined the Trust in December 2016 as a 'converter' academy with Requires Improvement Ofsted grade. Pupil outcomes since conversion reflect significant improvement over time.

Beckfoot Heaton Primary School (figures correct at time of publication)	Heaton 2018	Heaton 2019
Total number of pupils on roll (all ages)	815	792
Key Stage 2 Attainment (% of pupils reaching the expected standard)		
Reading, Writing Maths Expected Standard	48%	46%
Reading Progress	-0.1	-0.6
Writing Progress	2.7	3.3
Maths Progress	2.4	0.7

Beckfoot Nessfield (Primary School) joined the Trust as a 'sponsored' academy in 2018 with an Inadequate Ofsted grading achieved in 2017. In its first year in the Trust school the focus has been on establishing rapid improvement through alignment with the Trust's school improvement framework.

Beckfoot Nessfield Primary School (figures correct at time of publication)	Nessfield 2019
Total number of pupils on roll (all ages)	395
Key Stage 2 Attainment (% of pupils reaching the expected standard)	
Reading, Writing Maths Expected Standard	41%
Reading Progress	0.1
Writing Progress	-1.4
Maths Progress	-2.9

Beckfoot Oakbank (Secondary School) joined the Trust in September 2016 as a 'sponsored' academy with a Requires Improvement Ofsted rating in 2015. The Trust appointed a new headteacher in February 2019 and improvements are being made but not soon enough to improve outcomes in 2019. The school is now subject to an enhanced Trust support package that will ensure rapid improvement for 2020. During the year, the school received a further Requires Improvement Ofsted rating.

Beckfoot Oakbank School (figures correct at time of publication)	Oakbank 2018	Oakbank 2019
Total number of pupils on roll (all ages)	1529	1550
Key Stage 4 Progress		
Progress 8	-0.21	-0.45
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	53%	44%
9-5 in English + Maths "Basics"	32%	24%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C	C

Beckfoot Phoenix (Primary Special School) joined the Trust in 2017 as a 'converter' academy with a Good Ofsted grading achieved in 2016. The school is actively embracing the Trust school improvement agenda and working closely with Hazelbeck Special School. Outcomes continue to improve.

Beckfoot Phoenix Primary Special School All learners	2018 Making and exceeding expected progress	2019 Making and exceeding expected progress
Total number of pupils on roll	87	102
Reading	95%	Literacy: 86%
Writing	89%	
Maths	94%	86%

Beckfoot Priestthorpe (Primary School) joined the Trust as a 'converter' academy in 2017 with a Good Ofsted grading achieved in 2016. Progress in reading and writing were offset by some disappointing results in maths and this will be a focus for improvement in 2020.

Beckfoot Priestthorpe Primary School (figures correct at time of publication)	Priestthorpe 2018	Priestthorpe 2019
Total number of pupils on roll (all ages)	210	214
Key Stage 2 Attainment (% of pupils reaching the expected standard)		
Reading, Writing Maths Expected Standard	60%	48%
Reading Progress	-1.4	-1.3
Writing Progress	-2.6	-0.8
Maths Progress	-2.6	-3.7

Beckfoot Thornton (Secondary School) joined the Trust in October 2016 as a 'sponsored' school with a Requires Improvement grade from Ofsted in 2014. Improved outcomes in 2019 were anticipated following two years of focused school improvement work. The school was inspected in 2019 and received a further Requires Improvement rating with inspectors noting that 'initial signs are positive' as the school pursues its ambition to become 'remarkable'.

Beckfoot Thornton School (figures correct at time of publication)	Thornton 2018	Thornton 2019
Total number of pupils on roll (all ages)	1420	1441
Key Stage 4 Progress		
Progress 8	-0.49	-0.30
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	46%	53%
9-5 in English + Maths "Basics"	24%	29%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C-	C-

Beckfoot Upper Heaton (Secondary School) joined the Trust in September 2015 as a 'fully sponsored' academy with an Inadequate Ofsted judgement in 2014. In 2018, the school was graded Good by Ofsted. Significant improvements in GCSE results at Beckfoot Upper Heaton in 2018 were largely sustained in 2019 with a Progress 8 score of 0.40. The school is also filling to capacity and its reputation in the community continues to grow.

Beckfoot Upper Heaton School (figures correct at time of publication)	Upper Heaton 2018	Upper Heaton 2019
Total number of pupils on roll (all ages)	448	536
Key Stage 4 Progress		
Progress 8	0.42	0.40
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	56%	48%
9-5 in English + Maths "Basics"	31%	30%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	N/A	N/A

Key Financial Performance Indicators

As well as the academic outcomes noted above, Beckfoot Trust prepares monthly management accounts and monitors its cash position closely. The KPI's are considered to be pupil to staff ratios, benchmarked average costs, in-year budget variance and the level of reserves available after applying the contingency defined in the reserves policy.

Going Concern

After making appropriate enquiries, the board of Trustees have a reasonable expectation that Beckfoot Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The financial statements show a deficit for the year of £6,000k (2018: Surplus £9,060k). This deficit is a result of a positive trading position for the schools of £1,906k off-set by an actuarial loss on the defined benefit pension scheme of £7,906k.

The balance sheet shows net assets of £26,080k (2018: £32,080k) including a pension deficit of £17,217k (2018: £6,609k). Restricted general funds and unrestricted funds are £6,315k and £3,010k respectively. The level of free reserves exceeds the reserves policy for the Trust.

The pension adjustment reduces the restricted general reserve by £10,608k in total. Without this adjustment the net increase in funds of the restricted general and unrestricted reserve was £1,900k.

Of the Trust's £50,047k of income, 89.5% is revenue funding for educational operations, 6.0% comes from converting schools, capital grants and donations account for 2.7% and other trading activities teaching school income make up the final 1.8%.

Of the Trust's expenditure, 99% is spent on the educational operations and 1% is teaching school costs and the costs of generating funds. This balance of expenditure is consistent with the objects and aims of the Trust.

On 31st August 2019 the Trust had £15,281k cash at the bank. Following receipt of debt and payment of all creditors, the cash figure is reduced to £10,777k. This level of cash is required protect against financial pressure in future years and ensure continued school improvement across the Trust.

Reserves Policy

The Trustees review the reserve levels of the Trust annually and adjust the reserves policy accordingly. The review considers the strategic requirements for school improvement and consequent investment requirements. It also takes into consideration risks associated with a one off negative event and the cash flow funding consequences associated with expanding and contracting schools. The Trustees have set the level of reserves held for contingency at 2.75% of projected income for the 2019/20 financial year which equates to around £1,279k. The Trusts reserves are in excess of this with restricted (excluding capital and pension) and unrestricted reserves at £9,325k. The Trust feels that given future budget forecasts this level of funds is required to ensure the going concern of the Trust and its schools and is in the process of running a number of acceleration projects to enhance school improvement.

Investment Policy

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Trust policy is geared towards avoiding risk and maximising income from a low risk strategy. All monies are currently held on bank deposit attracting interest, with a proportion of the reserve funds held in fixed term deposits. Every month a deposit matures which allows the Trust to continue to review the balance of risk and reward in the future and revise its policy accordingly.

Principal Risks and Uncertainties

Beckfoot Trust actively manages risk by monitoring and updating its Risk Register at Board and Business Committee meetings. Where a unique or new risk emerges, like BREXIT, a separate risk register is created to manage the risk in detail. A summary of the five key risks and the control measures in place are noted below:

1. Single negative event that could lead to significant negative publicity (includes Strikes, Child protection issues, Disasters etc.) – controlled by the daily business of running effective schools.
2. Educational outcomes at Beckfoot Nessfield do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement plan in place.
3. Educational outcomes at Beckfoot Oakbank do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement plan in place.
4. Beckfoot Trust Sixth Form pupil numbers reduce due to the opening of additional post 16 provision in the area that attracts Beckfoot students away.
– controlled by the re-launch of Beckfoot Trust's combines Sixth form in September 2019.

5. The Trust is subject to theft by fraud leading to financial loss and ESFA scrutiny of the Trust's internal controls.
 - Controlled by consistent application of the Trust's internal control systems and the adoption of all best practice guidance

Risks in relation to Beckfoot Thornton's school improvement and the Trust's financial sustainability have been reduced and are no longer considered to be high.

Financial and Risk Management Objectives and Policies

The board is satisfied that its risk management process identifies risks as well as the controls required to mitigate them. In particular, Trustees are satisfied that:

- The commercial risks associated with the conversions of Beckfoot Phoenix, Beckfoot Priestthorpe and Beckfoot Nessfield have been mitigated and the schools are being well managed. Their financial risks are also understood and being well managed.
- The educational risks associated with the conversion of Beckfoot Thornton in 2016 are mitigated and the school's improvement has been noted by Ofsted.
- Cash flow is monitored effectively.
- Bad debt risk is minimal.
- Attempted frauds are being identified and none have been successful.

Fundraising

Beckfoot Trust as a charity does not actively fundraise from the public and is not dependent on public donations to carry out its aims and objectives.

Plans for Future Periods

The Trust has established a balanced portfolio of primary and secondary schools delivering mainstream and special educational provision and is not currently planning to expand.

The Trust is ambitious for all its schools and targets educational outcomes that place them in the top 20% by comparison with other schools. A Central Improvement Team co-ordinates the implementation of the Trust School Improvement Framework and allocates improvement capacity where it is needed most.

Reserves are carefully monitored and each school prepares financial plans, the Trust ensures they are self-sustaining and allocating resources effectively to drive school improvement. All schools collaborate to benefit from collective purchasing arrangements and this work will continue as the Trust develops.

Auditor

Saffery Champness LLP have expressed their willingness to remain in office as auditors to Beckfoot Trust.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report incorporating a strategic report, approved by order of the board of Trustees as The Company Directors on 6th December 2019 and signed on its behalf by:


Mr J Winkley
Chair of Trustees
6 December 2019

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Beckfoot Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement and supplementary funding agreements between Beckfoot Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees' Responsibilities.

During the year the Trust undertook and submitted to the board a full review of its governance arrangements. This reinforced the already held view that the Trust needs to improve the accuracy of its management accounts to better understand its financial position in year. Work began during 18-19 to improve the management accounts and continues in 19-20. The review also highlighted the need to further systemise the procurement process specifically in relation to Trust contracts. Again this work has already begun.

The Full Board formally has met six times in the period 1 September 2018 to 31 August 2019. Attendance during the year at meetings of the Board of Trustees was as follows:

<i>Director/Trustee</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
S Ali	1	4
P Hill	2	6
D J Horn	5	6
M J Kelly	6	6
R Lawrence	0	5
D Maybury	5	6
S J Pierce	3	6
P Speight	3	6
C D Tebbutt	6	6
S K Tollervey	5	6
J Winkley	6	6

The Education Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for the educational performance of the schools within the Trust. The Education Committee has met three times in the period 1 September 2018 to 31 August 2019.

<i>Director/Trustee</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
S Ali	1	2
P Hill	2	3
D J Horn	3	3
R Lawrence	0	2
S J Pierce	3	3
C D Tebbutt	3	3
S K Tollervey	3	3
J Winkley	2	3

The Business Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for financial management, specifically for delegating responsibility to Headteachers, recommending budgets to the board and identifying variances from approved budgets. The Business Committee has met five times in the period 1 September 2018 to 31 August 2019.

Director/Trustee	Meetings Attended	Out of a Possible
D J Horn	3	5
M J Kelly	5	5
D Maybury	4	5
P Speight	1	5
C D Tebbutt	5	5
J Winkley	4	5

The Audit Committee is a sub-committee of the main board of Trustees. The Audit Committee has delegated responsibility for the internal and external audit function. The Audit Committee has met two times in the period 1 September 2018 to 31 August 2019.

Director/Trustee	Meetings Attended	Out of a Possible
S Ali	1	2
P Hill	1	2
R Lawrence	0	2
S K Tollervey	2	2

The Remuneration Committee is a sub-committee of the main board of Trustees. The Remuneration Committee has delegated responsibility for the performance management and remuneration of the CEO/Executive Headteacher and the remuneration of higher paid Trust staff. The Remuneration Committee has met once in the period 1 September 2018 to 31 August 2019.

Director/Trustee	Meetings Attended	Out of a Possible
D J Horn	1	1
M J Kelly	1	1
S K Tollervey	1	1
J Winkley	1	1

Review of Value for Money

As accounting officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Securing a second Outstanding Ofsted outcome at Hazelbeck Special School.
- Improving secondary school outcomes from 48% of students achieving a GCSE 'basics' score (English and maths) graded 9-4 in 2016 to 55% in 2019.
- Establishing and embedding the cluster business management model securing cost savings across the Trust of approximately £800k
- Improving primary school reading writing and maths combined outcomes at the expected standard from 34% of pupils in 2016 to 50% of pupils in 2019.
- Establishing a balanced financial budget for 2019/20.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control

has been in place in Beckfoot Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees oversee this risk management framework with regular reviews of the Risk Register at the Business Committee of the board of Trustees and at Trustee meetings. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks and that the process has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Regular reviews of the Academy Trust's financial policies and procedures that include clearly defined purchasing (asset purchase or capital investment) guidelines.
- Comprehensive budgeting and budget monitoring procedures with monthly management accounts that are reviewed and agreed by the Business Committee of the board in respect of each school.
- Business Committee reviews of business cases for all major purchase decisions.
- Identification and management of risks.

The Audit Committee of the board has considered the need for a specific internal audit function. During the year, the Trust implemented a system of internal audit based on Inter-trust peer review with a local trust, Bradford Diocesan Academies Trust (BDAT). This arrangements saw all Beckfoot Trust Schools internally audited by finance staff from BDAT and visa versa. Both teams of staff analysed the results and established improvement plans together. The success of the internal audit in 2018/19 will see it repeated in subsequent years.

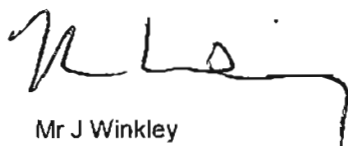
Review of Effectiveness

As Accounting Officer, David Horn, has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The internal audit system.
- The work of the external auditor.
- The work completed by inter-trust internal audit arrangements with BDAT.
- The work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework and the financial policies and procedures.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement is in place.

Approved by the board of Trustees on 6 December 2019 and signed on its behalf by:



Mr J Winkley
Chair of Trustees



Mr D J Horn
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Beckfoot Trust I have considered my responsibility to notify the Trust board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Mr D J Horn
Accounting Officer
6 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who act as governors of Beckfoot Trust and are also directors of the charitable company for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice), and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial period. In preparing these financial statements the Trustees are required to:

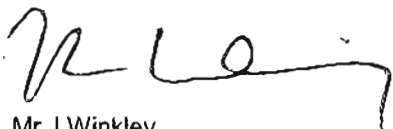
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 (FRS102) and the Academies Accounts Direction 2018 to 2019
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA and Department of Education (DfE) have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 6 December 2019 and signed on its behalf by:



Mr J Winkley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECKFOOT TRUST

Opinion

We have audited the financial statements of Beckfoot Trust for the year ended 31 August 2019 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, The Charities SORP and the Academies Accounts Direction 2018 to 2019

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Jonathan Davis
Senior Statutory Auditor
For and on behalf of

17/12/19

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BECKFOOT TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beckfoot Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beckfoot Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beckfoot Trust and the ESFA those matters we are required to state to them in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beckfoot Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Beckfoot Trust's Accounting Officer and the reporting accountant
The Accounting Officer is responsible, under the requirements of Beckfoot Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

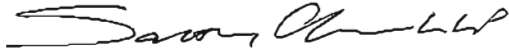
- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and

The Beckfoot Trust
Independent Reporting Accountant's Report on Regularity

- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Jonathan Davis
Reporting accountant
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX
Date: 17/12/19

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

(Including the Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018/19 £000	Total 2017/18 £000
Income and endowments from:						
Donations and Capital Grants	1	137	-	1,227	1,364	1,011
Transfer from local authority on conversion	27	-	(386)	3,400	3,014	7,685
<i>Charitable activities</i>						
Funding for the Academy Trust's educational operations	2	66	44,730	-	44,796	41,228
Teaching schools	3,28	-	87	-	87	110
Other trading activities	4	724	-	-	724	833
Investments	5	62	-	-	62	24
Total income		989	44,431	4,627	50,047	50,891
Expenditure on:						
Raising funds	6	129	6	5	140	149
<i>Charitable activities:</i>						
Academy Trust's educational operations	6,7	1,449	44,466	1,999	47,914	44,294
Teaching schools	6,28	-	87	-	87	90
Total resources expended		1,578	44,559	2,004	48,141	44,533
Net (outgoing)/incoming resources before transfers		(589)	(128)	2,623	1,906	6,358
Gross transfers between funds	17	95	(180)	85	-	-
Net (expenditure)/income for the year		(494)	(308)	2,708	1,906	6,358
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(7,906)	-	(7,906)	2,702
Net Movement in funds		(494)	(8,214)	2,708	(6,000)	9,060
Total funds brought forward	17	3,504	(2,688)	31,264	32,080	23,020
Total funds carried forward	17	3,010	(10,902)	33,972	26,080	32,080

All of the Academy's activities derive from continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2019

(Company Number: 08155088)

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Intangible assets	12		80		113
Tangible assets	13		32,416		29,797
Current assets					
Stock	14	24		29	
Debtors	15	963		1,032	
Cash at bank and in hand		15,281		12,108	
			16,268		13,169
Liabilities					
Creditors: Amounts falling due within one year	16	(5,467)		(4,390)	
Net current assets			10,801		8,779
Total assets less current liabilities			43,297		38,689
Net assets excluding pension liability			43,297		38,689
Defined benefit pension scheme liability	24		(17,217)		(6,609)
Net assets including pension liability			26,080		32,080
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	12,13		33,972		31,264
Restricted income fund	17		6,315		3,921
Pension reserve	17		(17,217)		(6,609)
Total restricted funds			23,070		28,576
Unrestricted funds					
General fund	17		2,564		3,058
Designated funds	17		446		446
Total unrestricted funds			3,010		3,504
Total funds			26,080		32,080

The financial statements on pages 22 to 47 were approved by the Trustees and authorised for issue on 6 December 2019 and are signed on their behalf by:



Mr J Winkley
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2,494	446
Cash flows from investing activities			
Increase in cash in the period	21	679	463
		<u>3,173</u>	<u>909</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 September 2018		12,108	11,199
Cash and cash equivalents at 31 August 2019	21	<u>15,281</u>	<u>12,108</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Statement of Accounting Policies for the Year Ended 31 August 2019

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Transfer on Conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion with donations and capital grant income to the net assets received. Further details of the transactions are set out in note 27.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Beckfoot Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income, until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is unconditional entitlement to the grant and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where there is certainty of receipt and the amount can be reliably measured.

Other Income

Other income, including the hire of facilities is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Statement of Accounting Policies for the Year Ended 31 August 2019 continued

Donated goods, facilities, and fixed assets

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

PFI Buildings Policy

Beckfoot and Hazelbeck schools share a campus at Wagon Lane. The property was built under a PFI arrangement as part of the Government's Building Schools for the Future Programme. The property is maintained and managed under a 25 year facilities management contract that expires in 2036.

New buildings have been constructed at Beckfoot Upper Heaton and Beckfoot Oakbank as PFI projects that are part of the Government's Priority Schools Building Programme. These properties will be maintained under a 25 year facilities management contract that expires in 2041 and 2042 respectively.

None of these buildings are recognised on the balance sheet of the Trust as the risk and rewards of ownership do not lie with the Trust.

Investment income

Investment income is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

These are costs incurred by the academy trust to raise funds for its charitable purposes and include the costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are shown inclusive of irrecoverable VAT.

Statement of Accounting Policies for the Year Ended 31 August 2019 continued

Agency Arrangements

The academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

Intangible Fixed Assets

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20%
-----------------------------	-----

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £500 are written off in the year of acquisition.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to the restricted fixed asset fund in the Statement of financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	32-49 Years Straight Line
Leasehold buildings – over the life of the lease	33-44 Years Straight Line
Fixtures, Fittings and Equipment	3-20 Years Straight Line
Motor Vehicles	10 Years Straight Line
ICT Equipment	3-20 Years Straight Line

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment will be made if circumstances indicate that the net book value of assets may not be recoverable. Any shortfall between the net book value and their recoverable value is recognised as impairment and included in the Statement of Financial Activities.

Investments

The academy's shareholding in the wholly owned and dormant subsidiary, Beckfoot School (Trading) Limited (company number: 8130928 incorporation date: 5th July 2012), is not included in the balance sheet due to the cost of the share capital owned being a minimal value of £1. The investment will not be valued as there is no readily available market value and the cost of valuation exceeds the benefit derived.

Statement of Accounting Policies for the Year Ended 31 August 2019 continued

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged as they are due over the period of the lease agreement.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Academy Trust is registered for VAT.

Statement of Accounting Policies for the Year Ended 31 August 2019 continued

Pensions Benefits

Retirement benefits to employees of the academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Skills Funding Agency or Department for Education.

Statement of Accounting Policies for the Year Ended 31 August 2019 continued

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital Grants	-	1,227	1,227	931
Donations	137	-	137	80
Transferred on Conversion		3,014	3,014	7,685
	137	4,241	4,378	8,696
<i>2018 Total</i>	296	8,400	8,696	

2. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/ESFA grants				
GAG	-	36,112	36,112	33,568
Pupil Premium	-	2,267	2,267	2,178
Start-up grants	-	-	-	56
Other DfE/ESFA Grants	-	1,034	1,034	476
	-	39,413	39,413	36,278
Other Government grants from educational operations				
Local Authority Grants	-	4,552	4,552	4,300
Other Government Grants	-	61	61	-
	-	4,613	4,613	4,300
Other Grants and Income				
Other grants	-	-	-	-
Music and Trip Income	25	470	495	496
Other income	41	234	275	154
	66	704	770	650
Total Funding for Educational Operations	66	44,730	44,796	41,228
<i>2018 Total</i>	104	41,124	41,228	

3. Teaching school income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Teaching school services	-	87	87	110
	-	87	87	110
<i>2018 Total</i>	-	110	110	

4. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Lettings income	245	-	245	209
Catering income	442	-	442	584
Other income	37	-	37	40
	<u>724</u>	<u>-</u>	<u>724</u>	<u>833</u>
<i>2018 Total</i>	<u>833</u>	<u>-</u>	<u>833</u>	

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	62	-	62	24
	<u>62</u>	<u>-</u>	<u>62</u>	<u>24</u>
<i>2018 Total</i>	<u>24</u>	<u>-</u>	<u>24</u>	

6. Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2019 £000	Total 2018 £000
		Premises £000	Other £000		
Expenditure on raising funds	129	6	5	140	149
Academy's educational operations:					
<i>Direct costs</i>	30,254	1,298	4,160	35,712	34,038
<i>Allocated support costs</i>	6,264	2,942	2,996	12,202	10,256
Teaching school	60	-	27	87	90
	<u>36,707</u>	<u>4,246</u>	<u>7,188</u>	<u>48,141</u>	<u>44,533</u>
<i>2018 Total</i>	<u>34,471</u>	<u>3,940</u>	<u>6,121</u>	<u>44,533</u>	

Net income/(expenditure) for the period include:	2019 £000	2018 £000
Building provision cost	144	141
Fees payable to auditor – audit	23	26
Fees payable to auditor – other	4	14
Fixed asset loss on disposal	5	-
Operating lease costs	2,269	2,020
Depreciation	1,386	1,104
Amortisation of intangible fixed assets	<u>33</u>	<u>33</u>

7. Charitable Activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	35,712	34,038
Support costs – educational operations	12,202	10,256
Total direct and support costs	47,914	44,294

	Total 2019 £000	Total 2018 £000
Analysis of support costs		
Support staff costs	6,264	5,158
Depreciation	148	171
Technology costs	291	155
Premises costs	2,942	2,760
Other support costs	2,518	1,970
Governance costs	39	42
	12,202	10,256

8. Staff Costs

	2019 £000	2018 £000
Staff costs during the period were:		
Wages and salaries	26,943	25,886
Social security costs	2,546	2,325
Operating costs of defined benefit pension schemes	6,371	5,337
	35,860	33,548
Supply staff costs	808	874
Peripatetic teaching costs	26	6
Restructuring costs	13	43
	36,707	34,471

Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £43,000).

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the period was as follows:

	2019 No.	2018 No.
Charitable Activities		
Teachers	405	373
Administration and Support	655	619
Management	69	68
	1,129	1,060

Higher paid staff

The number of employees whose employee benefits (excluding employer pension) exceeded £60,000 was:

	2019	2018
	No.	No.
£60,001 - £70,000	13	11
£70,001 - £80,000	6	2
£80,001 - £90,000	5	5
£90,001 - £100,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
	26	20

Twenty five (2018: Nineteen) of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

Key Management Personnel

The key management personnel of the academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy Trust was £1,401,423 (2018: £1,112,736).

9. Trustees' Remuneration and Expenses

The highest paid Trustee received remuneration of £114k (2018: £137k).

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff under their contracts.

The value of Trustees' remuneration and other benefits was as follows:

Name	Trustees Role	2019	2018
<i>D J Horn</i>	<i>Chief Executive Officer</i>		
Remuneration		£110,001-£115,000	£135,000-£140,000
Employers Pension Contributions		nil	£20,001-£25,000
<i>C D Tebbutt</i>	<i>Chief Operating Officer</i>		
Remuneration		£85,001-£90,000	£80,001-£85,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000

During the period ended 31 August 2019, travel and subsistence payments totalling £1,060 (2018: £1,286.34) were reimbursed to two Trustees (2018: two Trustees).

Other related party transactions involving the Trustees are set out in note 23.

10. Trustees' and Officers' Indemnity Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

11. Central Improvement Team

The academy Trust provides the following central services to its schools during the year:

- School improvement
- Human resources
- Finance
- Estates Management
- Compliance

During the year each school has been charged a flat 2.5% (2018: 2%) of grant income. The board has approved the method of allocation of these central costs. The actual amounts charged during the period were as follows:

	2019 £000	2018 £000
Beckfoot Allerton	70	58
Beckfoot Heaton	128	102
Beckfoot Nessfield	59	-
Beckfoot Oakbank	286	225
Beckfoot Phoenix	61	43
Beckfoot Priestthorpe	32	25
Beckfoot School	274	216
Beckfoot Thornton	275	213
Beckfoot Upper Heaton	116	87
Hazelbeck School	101	79
Total Central Charge	1,402	1,048

12. Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 1 September 2018	198	198
At 31 August 2019	198	198
Depreciation		
At 1 September 2018	85	85
Charged in period	33	33
At 31 August 2019	118	118
Net book values		
At 31 August 2019	80	80
At 1 September 2018	113	113

13. Tangible Fixed Assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, Fittings and Equipment £000	ICT Equipm ent £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2018	21,425	8,180	2,246	1,618	87	33,556
Donated on conversion	3,318	-	61	21	-	3,400
Additions	-	-	100	510	-	610
Disposals	-	-	(36)	(40)	-	(76)
At 31 August 2019	24,743	8,180	2,371	2,109	87	37,490
Depreciation						
At 1 September 2018	764	359	1,608	970	58	3,759
Charged in period	560	202	215	402	7	1,386
Disposals	-	-	(33)	(38)	-	(71)
At 31 August 2019	1,324	561	1,790	1,334	65	5,074
Net book values						
At 31 August 2019	23,419	7,619	581	775	22	32,416
At 1 September 2018	20,661	7,821	638	648	29	29,797

The Trust's transactions relating to land and buildings included:

- The acquisition of the freehold on the land and buildings at Nessfield which was donated to the Trust on 1 September 2018 when the school joined the Trust at a value of £3,318k.

14. Stock

	2019 £000	2018 £000
Student Shop	11	15
Clothing	9	6
Catering	4	8
	24	29

15. Debtors

	2019 £000	2018 £000
Trade debtors	79	50
VAT recoverable	144	210
Prepayments and accrued income	740	772
	963	1,032

16. Creditors

Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	146	120
ESFA Creditor	212	254
Other creditors	768	657
Accruals and deferred income	4,341	3,359
	5,467	4,390

	2019	2018
	£000	£000
Deferred Income		
Deferred income at 1 September 2018	261	543
Resources deferred in the year	281	261
Amounts released from previous years	(261)	(543)
Deferred income at 31 August 2019	281	261

At the balance sheet date the Academy Trust was holding funds received in advance for rates funding, universal infant free school meals, SGO grant and trip/club income.

Other creditors includes of the following provisions recognised in accordance with Financial Reporting Standard 102:

	2019	2018
	£000	£000
Other Creditors		
Property provision	741	597
	741	597

Beckfoot Trust
Notes to the Financial Statements

17. Funds

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	3,776	36,112	(33,493)	(80)	6,315
Other Government grant	-	5,647	(5,647)	-	-
Pupil Premium	-	2,267	(2,267)	-	-
Start Up Grant	45	-	(45)	-	-
Trip Income	-	470	(470)	-	-
Teaching School	100	87	(87)	(100)	-
Other Grants	-	234	(234)	-	-
Pension reserve	(6,609)	(386)	(2,316)	(7,906)	(17,217)
	(2,688)	44,431	(44,559)	(8,086)	(10,902)
Restricted fixed asset funds					
Fixed Asset Fund	29,910	3,401	(1,290)	475	32,496
Capital funds	1,354	1,226	(714)	(390)	1,476
	31,264	4,627	(2,004)	85	33,972
Total restricted funds	28,576	49,058	(46,563)	(8,001)	23,070
Unrestricted funds					
Designated - FFE fund	446	-	-	-	446
Unrestricted funds	3,058	989	(1,578)	95	2,564
	3,504	989	(1,578)	95	3,010
Total funds	32,080	50,047	(48,141)	(7,906)	26,080

The specific purpose for which the funds are to be applied are as follows:

Restricted general funds have been spent in line with the terms of the Master Funding Agreement.

The start up grant was received by the Trust on behalf of Nessfield and has been spent fully in the current year to support the school improvement at Nessfield.

The teaching school fund is to be used to develop the Beckfoot Teaching Schools' aims and objectives in line with the agreement with the Department for Education.

The restricted fixed asset fund relates to assets held by the trust and increases in line with transfers in, additions, depreciation and disposals in the year have reduced the fund by £2,585k.

Capital funds are used solely for capital purchases in line with the strategic objectives of Beckfoot Trust. Additions in the year, mostly of ICT equipment, have resulted in a transfer of £390k from capital funds to fixed assets, the expenditure related to capital repairs and maintenance spend of £714k in the current year. A balance of £1,477k remains on the capital fund at 31 August 2019 and relates in large part to the Trust condition allowance.

The restricted pension fund is in deficit to the value of £17,217k as at 31 August 2019. This year the fund includes the deficit balances on conversion of Nessfield of £386k. The position has significantly worsened by an actuarial loss in year of £7,906k and the SOFA charge of £2,316k. The Trustees continue to monitor this situation closely.

The FFE fund is designated by the Trustees to be spent on repairs and maintenance of certain fixed assets not included in the PFI provider's schedule of maintained assets.

Under the funding agreement with the Secretary of State, the academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Beckfoot Trust
Notes to the Financial Statements

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	3,897	34,851	(34,477)	(295)	3,776
Other Government grant	-	3,658	(3,658)	-	-
Pupil Premium	-	2,178	(2,178)	-	-
Start Up Grant	-	45	-	-	45
Northern Fund	50	-	(50)	-	-
Trip Income	-	392	(392)	-	-
Teaching School	80	110	(90)	-	100
Pension reserve	(6,875)	(1,012)	(1,424)	2,702	(6,609)
	(3,048)	40,222	(42,269)	2,407	(2,688)
Restricted fixed asset funds					
Fixed Asset Fund	22,096	8,481	(1,159)	492	29,910
Capital funds	298	931	(154)	279	1,354
	22,394	9,412	(1,313)	771	31,264
Total restricted funds	19,346	49,634	(43,582)	3,178	28,576
Unrestricted funds					
Designated - FFE fund	446	-	-	-	446
Unrestricted funds	3,228	1,257	(951)	(476)	3,058
	3,674	1,257	(951)	(476)	3,504
Total funds	23,020	50,891	(44,533)	2,702	32,080

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Beckfoot	2,801	2,345
Beckfoot Allerton	316	199
Beckfoot Heaton Primary	783	717
Beckfoot Nessfield	63	-
Beckfoot Oakbank	1,215	705
Beckfoot Phoenix	166	57
Beckfoot Priestthorpe	108	87
Beckfoot Teaching School	99	99
Beckfoot Thornton	1,817	1,363
Beckfoot Upper Heaton	782	730
Central Improvement Team	291	188
Hazelbeck	1,014	993
Total before central capital, fixed assets and pension reserve	9,455	7,483
Central Capital Reserve	1,346	1,296
Restricted fixed asset fund	32,496	29,910
Pension Reserve	(17,217)	(6,609)
	26,080	32,080

Total cost analysis by academy

Expenditure incurred by each academy during the period was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000	Total 2018 £000
Beckfoot	5,461	585	922	2,130	9,098	9,511
Beckfoot Allerton	1,341	275	140	242	1,998	2,318
Beckfoot Heaton Primary	2,588	327	246	590	3,751	3,816
Beckfoot Oakbank	5,780	1,058	649	1,071	8,558	8,986
Beckfoot Nessfield	1,223	219	113	328	1,883	-
Beckfoot Phoenix	1,268	198	41	256	1,763	1,599
Beckfoot Priestthorpe	635	130	56	126	947	956
Beckfoot Thornton	5,708	1,057	458	804	8,027	8,192
Beckfoot Upper Heaton	2,348	499	234	316	3,397	3,457
Hazelbeck	2,306	232	117	378	3,033	3,019
	28,658	4,580	2,976	6,241	42,455	41,855

Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000
Intangible fixed assets	-	-	80	80
Tangible fixed assets	-	-	32,416	32,416
Current assets	3,010	11,782	1,476	16,268
Current liabilities	-	(5,467)	-	(5,467)
Pension scheme liability	-	(17,217)	-	(17,217)
Total net assets	3,010	(10,902)	33,972	26,080

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000
Intangible fixed assets	-	-	113	113
Tangible fixed assets	-	-	29,797	29,797
Current assets	3,504	8,311	1,354	13,169
Current liabilities	-	(4,390)	-	(4,390)
Pension scheme liability	-	(6,609)	-	(6,609)
Total net assets	3,504	(2,688)	31,264	32,080

18. Capital commitments

	2019	2018
	£000	£000
Contracted for, but not provided in the financial statements	151	78

19. Financial Commitments

At 31 August 2019 the Academy Trust's minimum lease payments under non-cancellable operating leases and other agreements were as follows:

	2019	2018
	£000	£000
Due in one year	2,287	2,228
Due between one and five years	9,137	8,964
Due after five years	27,370	30,272
	38,794	41,464

There is also a non-cancellable lease relating to the rental of the land and buildings from the City of Bradford Metropolitan District Council. This is for a peppercorn rate and is due to expire in 1st August 2138.

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£000	£000
Net income	1,906	6,358
Amortisation (note 12)	33	33
Depreciation (note 13)	1,386	1,104
Capital grants receivable	(1,227)	(931)
Fixed assets inherited on conversion	(3,400)	(8,481)
Other Fixed Asset Movements	5	22
Defined benefit pension scheme obligation inherited	386	1,012
Defined benefit pension scheme cost less contributions payable (note 24)	2,141	1,273
Defined benefit pension scheme finance income (note 24)	175	151
Interest receivable	(62)	(24)
(Increase) in stock	5	3
Decrease/(Increase) in debtors	69	(62)
Increase/(Decrease) in creditors	1,077	(12)
Net cash inflow from operating activities	2,494	446

21. Cash flows from investing activities

	2019	2018
	£000	£000
Interest received	62	24
Purchase of fixed assets	(610)	(492)
Capital grants	1,227	931
Net cash inflow from returns on investment and servicing of finance	679	463

Analysis of cash and cash equivalents

	At 1 September	Cash	At 31 August
	2018	Flows	2019
	£000	£000	£000
Cash in hand and at bank	3,608	4,673	8,281
Notice deposits (less than 3 months)	4,000	(2,250)	1,750
Notice deposits (more than 3 months)	4,500	750	5,250
	12,108	3,173	15,281

22. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, but not exceeding £10.00, for the debts and liabilities contracted before they cease to be a member.

23. Related Party Transactions

Owing to the nature of the academy Trust's operations and the composition of the board of Trustees being drawn from members of local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The academy Trust is connected to the Bradford Local Authority via its Trustee J Cryer who is an employee of the Local Authority. The transactions with the Local Authority are not deemed to be related party transactions under FRS102 as the Trustee is not deemed to have significant influence over the Local Authority, the transactions and relationship with the Local Authority pre-date the relationship with the Trustee and all transactions are carried out at arms length.

Organisation	Relationship to Trust	Transactions
Nell Bank	J Cole (Member of the Trust) is a Trustee	Purchases of £7,108 relating to trips from Hazelbeck and Allerton (2018: £5,101)

24. Pension and Similar Obligations

The Academy's employees belong to two principal schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Yorkshire Pension Fund. Both are multi-employer defined-benefit schemes and are applicable to staff in all Trust schools.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £2,586k (2018 - £2,523k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

The Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee administered funds. The total contributions made for the period ended 31 August 2019 was £1,998k, of which

employer's contributions totalled £1,455k and employees' contributions totalled £543k. The agreed contribution rates for future years are 13.9% for employers plus a lump sum contribution of nil and between 5.5% and 7.5% for employees dependent upon their full time equivalent earnings.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.25%
RPI Inflation increase	3.1%	3.1%
CPI Inflation increase	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Rate of increase in deferred pensions	2.1%	2.0%
Rate of increase to pensions in payment	2.1%	2.0%
Rate of revaluation of pension accounts	2.1%	2.0%

The current mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	22.2	22.1
Females	25.4	25.3
Retiring in 20 years' time		
Males	23.2	23.1
Females	27.2	27.1

Sensitivity analysis has been performed on the principle assumptions of the pension liability including the discount rate, increase in salary rate, rate of increase in pensions and mortality rate. The result of these are shown below:

	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	44,757	29,785
Discount rate -0.1%	46,863	31,187
Mortality assumption – 1 year increase	44,288	31,363
Mortality assumption – 1 year decrease	47,325	29,596

Beckfoot Trust
Notes to the Financial Statements

The Academy's share of the assets and liabilities in the scheme were:

	Fair Value at 31 August 2019 £000	Fair Value at 31 August 2018 £000
Equities	22,179	17,807
Property	1,258	1,002
Government Bonds	3,001	2,578
Corporate Bonds	1,286	835
Cash	543	525
Other	314	1,122
Total market value of assets	28,581	23,869
Present value of scheme liabilities	(45,798)	(30,478)
Deficit in the scheme	(17,217)	(6,609)

The actual interest on scheme assets for 2019 was £713k (2018: return £315k).

Amounts recognised in the Statement of Financial Activities

	2019 £000	2018 £000
Current service cost	2,576	2,670
Employers contribution	(1,455)	(1,397)
New academies transfer in	386	1,012
Past service cost	1,020	-
Net interest cost	175	151
Pension finance costs	2,702	2,436

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 102 is a £1,533k loss (2018: £6,373k gain).

Movements in the present value of defined benefit obligations were as follows:

	2019 £000	2018 £000
At 1 September	30,478	26,783
Upon conversion of academy trusts	1,118	2,334
Current service cost	2,576	2,670
Past service cost	1,020	-
Interest cost	888	700
Employee contributions	543	519
Actuarial loss/(gain)	9,484	(2,052)
Benefits paid	(309)	(476)
At 31 August	45,798	30,478

Movements in the present value of academy's share of scheme assets:

	2019 £000	2018 £000
At 1 September	23,869	19,908
Upon conversion of academy trusts	732	1,322
Expected return on assets	713	549
Actuarial gain	1,578	650
Employer contributions	1,455	1,397
Employee contributions	543	519
Benefits paid	(309)	(476)
At 31 August	28,581	23,869

25. Events After the Balance Sheet Date

No post balance sheet events to disclose.

26. Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the Trust received £86k and disbursed £108k from the fund. An amount of £198k is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2018 are £107k received, £64k disbursed and £231k included in other creditors.

27. Conversion of new academies

Beckfoot Nessfield converted to academy status under the Academies Act 2010 on 1 September 2018. All the operations and assets and liabilities were transferred to Beckfoot Trust from the Bradford Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<i>Beckfoot Nessfield</i>				
Tangible fixed assets				
- Leasehold land and buildings	-	-	3,318	3,318
- Other tangible fixed assets	-	-	82	82
LGPS deficit inherited	-	(386)	-	(386)
Net (liabilities)/assets	-	(386)	3,400	3,014

The Nessfield land and buildings have been transferred under a 125 year lease for a peppercorn rent from the Bradford Local Authority, due to expire 30 August 2143.

28. Teaching school trading account

	2019	2018
	£000	£000
Income		
Direct Income	33	48
Fundraising and other activities	54	62
Total Income	<u>87</u>	<u>110</u>
Expenditure		
Direct Costs		
Direct staff costs	50	54
Staff development	-	3
Other direct costs	27	31
Total direct costs	<u>77</u>	<u>88</u>
Other costs		
Support staff costs	10	2
Total other costs	<u>10</u>	<u>2</u>
Total expenditure	<u>87</u>	<u>90</u>
Surplus from all sources	<u>-</u>	<u>20</u>
Teaching school balances at 1 September 18	100	80
Teaching school balances at 31 August 19	<u>100</u>	<u>100</u>

